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RR RUEHCHI RUEHDT RUEHHM RUEHNH
DE RUEHBD #0136/01 1270738
ZNR UUUUU ZZ
R 060738Z MAY 08
FM AMEMBASSY BANDAR SERI BEGAWAN
TO RUEHC/SECSTATE WASHDC 4193
RUEHPNH/NVC PRISMOUTH 0033
INFO UCNASE/ASEAN MEMBER COLLECTIE
RUEHCG/AMCONSUL CHENNAI
RUEHCI/AMCONSUL CALCTTA
RUEHBI/AMCONSUL MUMBAI
RUEHNE/AMEMBASSY NE DELHI 0071
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RUEHH/AMCONSUL HONG KONG 0215
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UNCLAS SECTION 01 OF 05 BANDAR SERI BEGAWAN 000136

SIPDIS
SENSITIVE

DEPARTMENT FOR CA/FPP AND INL/HSTC
DEPARTMENT PASS TO KCC
POSTS FOR FRAUD PREVENTION MANAGER

E.O. 12958: N/A
TAGS: [KFRD](#) [CVIS](#) [CPAS](#) [CMGT](#) [ASEC](#) [BX](#)
SUBJECT: Brunei Fraud Conditions Summary - FY2008

REF: 07 Bandar Seri Begawan 330

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Summary

1. (U) Brunei is a low-fraud environment for consular services and historically has had low rates of fraud and low non-return rates. Brunei has been a member of the Visa Waiver Program since its inception. On May 5, the Government of Brunei announced that it would begin issuing ICAO compliant biometric passports. We remain alert to the potential for abuse of Bruneian travel documents by mala fide travelers, though are aware of few actual instances of such abuse. A significant guest-worker population gives rise to some potential vulnerabilities to visa fraud and accounts for the majority of our visa refusals. We have not detected any patterns of visa fraud. Our key concern related to consular services is the potential for fraud by individual visa applicants, including possible visa shoppers from the region. The Fraud Prevention Unit and Embassy Manila provide support to Embassy BSB for fraud prevention and security analysis purposes. We are also concerned about the exploitation of some of Brunei's porous borders and the potential use of Brunei as a transit point by alien smugglers and/or human traffickers. END SUMMARY.

COUNTRY CONDITIONS

2. (U) Brunei has been a member of the Visa Waiver Program since its inception. Brunei has only just begun issuing biometric passports. Citizens who wish to travel to the United States whose passports were issued on or after October 26, 2006 must obtain a visa to travel. Annual visa workload for FY 07 was 599 applications with an adjusted refusal rate of 6 percent. Workload has shown a steady increase in the current fiscal year, primarily due to the gap in

issuing biometric passports that would allow visa waiver travel and also to an increase in commercial, business, and government linkages with the United States. Trade with the United States has increased at a steady rate for the past several years, but almost tripled in 2007 due to a major sale of aircraft to the main oil and gas producing company. Students in the U.S. have surpassed pre-9/11 levels from a low of only 12 students just two years ago to a current 30 students actively studying in the U.S. according to SEVIS data. We expect continued growth in Brunei citizens studying in the U.S. with the opening of government scholarships for undergraduate study and the renewal of programs for government-funded, mid-career masters-level study which had fallen off in the late 1990s.

13. (U) Brunei depends on large numbers of foreign guest workers from its neighbors, particularly Malaysia, Indonesia, and the Philippines. There are two very distinct categories of foreign workers: low skilled manual laborers, domestics or low skilled office and shop workers - mainly from Indonesia, Malaysia, the Philippines, Bangladesh, and Thailand; and management and highly skilled technical workers in every industry but with the largest concentrations in the IT and oil and gas industries. There is also a sizable population of third country national engineers and other professionals from oil-rich countries such as Nigeria and Venezuela. Many of the latter apply for visas either to conduct business or training in the United States or to transit on their way to Venezuela and other destinations.

14. (SBU) Brunei prohibits permanent immigration for manual and low-skilled workers, many of whom live in Brunei for decades on work permits. Even more highly-skilled individuals find it difficult to meet Brunei's tough standards to qualify for permanent residence - a minimum of 15 years residency and strong Malay language skills. Citizenship is even more tightly controlled, requiring an additional

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15 years residency after obtaining permanent resident status. General ideological and cultural preferences for ethnic Malays and adherents to Islam means in practice that non-Muslims may have a more difficult time obtaining either permanent residency or citizenship. Generations of long-term residents, particularly ethnic Chinese, have made Brunei their home without access to the rights of citizenship. In many cases, these individuals give birth to children in Brunei but are unable to meet transmission requirements to pass any citizenship to their children. Brunei thus has a very large community of "stateless" permanent residents who do not have access to any country's citizenship either through their parents or through their birth in Brunei. Brunei issues these individuals "Certificate of Identity" and accords them permanent resident status. Post routinely issues NIVs to this category of de-facto Bruneians who, despite their lack of citizenship, have strong family and economic ties to Brunei.

15. (U) The range of nationalities and skills sets in Brunei is reflected in post's non-immigrant visa applicant pool. In FY 2007, 0 percent of our NIV applicants were third country nationals (TCNs) holding citizenship in 32 countries. Bruneian applicants accounted for approximately one third, with Malaysia at seventeen percent and the Philippines at fifteen. Philippine applicants accounted for nearly all visas refused.

16. (U) Visa applications from TCNs are likely to increase at a modest rate, due to a growing multinational corporate presence; successes in the Embassy's outreach program to increase international academic, research, and cultural exchanges; a steady stream of third country national residents; and robust annual growth in trade with the United States.

17. (U) While in general Brunei is a low-fraud environment, the range of nationalities as well as the small volume of applications presents a challenge for post to remain vigilant against fraudsters and visa shoppers from the region and to remain current on the ever-morphing methods of fraud that develop world-wide.

NIV FRAUD

¶8. (U) Our greatest vulnerability to fraud is at the individual case level, not on an organized basis. The most likely candidates to engage in individual fraud are work pass holders from the Philippines who are working in low-level office jobs and being paid a low wage (albeit higher than they would receive in the Philippines). Our 214(b) refusal rate tends to be high for this category of applicant and, thus, we are vigilant for the possibility of fraud. That said, the most common problem among these applicants is not outright fraud but occasional "inflation" of credentials through the use of loaned funds to bolster bank accounts, exaggerated claims of employment status or responsibility, or the provision of incomplete information about family members in the United States. This type of credential inflation is conducted at the individual case level; we have not detected any patterns to suggest that any organized third party provision of false documents.

¶9. (U) Another potential fraud area is for applicants in categories known to be high-fraud and that do not require applicants to meet residence abroad requirements, such as H-1Bs, to apply for visas in Brunei where our familiarity with world-wide fraud trends may be less extensive. We are aware of the potential for such applicants to target post as an "easy mark" and work closely with posts in the region and posts in the applicants' country of nationality to ensure that visa shoppers do not subvert the integrity of the visa process. All NIV issuances are reviewed by the Manila Fraud Prevention Unit, in part to help address this potential vulnerability to fraud.

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IV FRAUD

¶10. (U) Embassy Bandar Seri Begawan does not process immigrant visas, but does provide information and accept I-130 petitions from resident Americans for forwarding to Embassy Singapore or Kuala Lumpur for adjudication and processing of the immigrant visa. Usually petitioners are long-term residents of Brunei known to post and relationships appear to be genuine.

DV FRAUD

¶11. (U) Embassy Bandar Seri Begawan does not process diversity visas. We occasionally provide basic information on the diversity visa but are unaware of any DV-related fraud in Brunei or by Bruneians.

ACS AND PASSPORT FRAUD

¶12. (U) We have detected no fraud in applications for U.S. passports and other ACS services. In one instance last year, one American citizen provided insufficient evidence to allow for single-parent signature on a passport application of a minor child in a possible attempt to mislead the consular officer about his custodial rights. There was no outright fraud involved.

ADOPTION FRAUD

¶13. (U) To the best of our knowledge there has never been an adoption of a Bruneian child by a foreign citizen.

USE OF DNA TESTING

¶14. (U) Post has referred only one case for DNA testing to verify blood relationship in support of a citizenship claim. The DNA result was positive and there was no fraud uncovered.

ASYLUM AND OTHER DHS BENEFIT FRAUD

¶15. (U) Post has had no applications for asylum and has received no inquiries/requests from U.S. legal permanent residents or other applications for DHS benefits.

ALIEN SMUGGLING, TRAFFICKING, ORGANIZED CRIME, TERRORIST TRAVEL

¶16. (U) We have received occasional reports of mala fide travelers interdicted around the world attempting to use altered Bruneian passports for VWP travel to the United States. We are unaware of any significant trends or high numbers of misuse of the Bruneian passport, though we have continued to press Brunei to move forward with its biometric passport program in order to combat this potential problem.

¶17. (SBU) Three known cases last year highlighted that alien smugglers and/or human traffickers have exploited some of Brunei's

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more vulnerable land border checkpoints and used Brunei as a transit point. (Reftel) None of the cases involved trafficking to the United States, but two did involve the apparent trafficking of young women (to Australia and to London) and two American Citizens who traveled on the same routes were identified as potential facilitators. Evidence suggests that these were not the first cases and this may have been a now-disrupted but established route. There is no indication that there was any nexus to terrorism.

DS CRIMINAL FRAUD INVESTIGATIONS

¶18. (U) There have been no DS criminal fraud investigations in Brunei involving consular matters.

HOST COUNTRY DOCUMENTS

¶19. (U) All residents carry an identification card of some sort. Citizens carry a national identification card (yellow), issued starting at age 12; permanent resident cards are pink and work permit cards are green. All i.d. cards are of high quality and include machine readable zones, digitized photos, and some security features such as holograms. National identification cards also contain an encrypted chip which, in the future, will serve as a public key for bearers to gain access to banking and other services. We have not detected any apparent fraud in identification cards, but would approach the host country to confirm a document if a suspicion arose. We understand that the GOB collects two thumb prints from all identity document applicants and stores the prints in a national database.

¶20. (U) Passports: On May 5, the GoB announced that it would commence production and issuance of fully ICAO compliant biometric passports. Post will forward exemplars as soon as we receive our copies. Prior to this announcement, the GoB had been issuing regular passports (red cover) to Brunei citizens and issues official and diplomatic passports (black cover) to government officials to support official travel. These previous passports are high quality and contain a digitized photo, machine readable zone and a security laminate on the data page.

COOPERATION WITH HOST GOVERNMENT AUTHORITIES

¶21. (U) The Immigration and Customs Enforcement's Forensics Documents Lab, in coordination with the Joint Interagency Task Force (JIATF) West, provided document screening training last year for

officers from Brunei's immigration, police, and customs organizations. The training was well-received and Brunei has expressed interest in additional training. Post is working with ICE for further training should funding become available. Note: Royal Brunei Airlines staff, but not Immigration officials, detected malafide travelers with fraudulent Malaysian passports in a possible person-smuggling ring that appeared to have exploited a weakness at a remote land border crossing point to facilitate travel to third countries (reftel).

¶22. (SBU) Brunei is considering signing an agreement with the United States to exchange unclassified information on known and suspected terrorists under Homeland Security Presidential Directive-6. Brunei shares lost and stolen passport information with Interpol but does not share this data directly with the United States.

¶23. (SBU) Law enforcement cooperation with the United States is good, but typically incident-based and not proactive. Brunei's law

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enforcement capabilities are professionally sound, but uneven, and tend to be deployed only after a crime is detected. However, the Internal Security Department and religious authorities maintain a close watch on religious groups and Brunei's very limited political activity to head off any potential challenges to the authority of the royal family or the government. The Immigration Department vigorously and proactively enforces immigration law, frequently screening the foreign worker population for over-stayers and persons working without a work-permit. Post's RSO has worked closely with non-resident USG law enforcement attaches (FBI, DEA, DHS) to build stronger relationships with host country law enforcement.

ACKNOWLEDGEMENT

¶24. (U) Post would like to thank Singapore CONS Chief Julie Kavanagh for her substantial and significant contribution to this report. Thanks, Julie - we could not have completed this without you. Manila FPU has cleared on this report.

SKODON